ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:	)	
	)	
Telephone Number Portability	)	CC Docket No. 95-116
	)	RM 8535

REPLY COMMENTS OF GTE

GTE Service Corporation, on behalf of its affiliated domestic telephone operating and wireless companies, respectfully submits its reply comments in response to the Commission's Public Notice, DA 96-358, released March 14, 1996. As discussed herein, the Commission should establish a framework for expeditious implementation of a long-term approach to number portability, along with competitively neutral recovery of all associated costs. The Commission should recognize, however, that neither AT&T's LRN proposal nor any other existing approach can currently be considered "technically feasible," as required by the new Act.

I. NEITHER AT&T'S LRN APPROACH NOR ANY OTHER LONG-TERM PORTABILITY SOLUTION IS CURRENTLY TECHNICALLY FEASIBLE.

Prospective local exchange competitors characterize AT&T's LRN approach as a "de facto national standard,"[1] representing a "clear, prevailing industry

[1] TCG Comments at 7.

consensus,"[2] which can be implemented in mid- to late 1997.[3] According to these parties, AT&T's LRN is the only solution that "can be implemented in the near future,"[4] and, indeed, is the "only approach consistent with the new law."[5] There is no basis for these claims: AT&T's LRN approach exists in an information vacuum.

No cost information. Neither AT&T nor any other proponent of LRN has produced a documented estimate of implementation costs (perhaps because these parties generally seek to place responsibility for the vast majority of those costs on incumbent LECs). Indeed, the only evidence on record suggests the costs of AT&T's LRN will be tremendous.[6] Moreover, costs cannot even be ascertained with confidence because AT&T's LRN is becoming increasingly complex. In the past two weeks, for example, Committee T1S1 determined that AT&T's LRN should support multiple 10-digits dips -- one by the originating carrier to determine

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[2] MCI Comments at 5; see also Comments of the Telecommunications Resellers Association ("TRA") at 4.

[3] See, e.g., AT&T Comments at 2; TRA Comments at 4.

[4] Comments of the California Cable Television Association at 5-6.

[5] MCI Comments at 3.

[6] See Pacific Bell at 7 (estimating implementation costs of $1 billion over three years in California); Bell Atlantic at 2 ($64 to $124 million for Bell Atlantic network and OSS upgrades in Maryland alone, not counting costs of other providers and shared data bases).

the called party's LEC, and one by the called party's LEC to determine the routing address.[7] Indeed, it is highly relevant that the consumer representatives on the California Local Number Portability Task Force declined to endorse AT&T's LRN proposal -- the potential for massive increases in phone costs is simply too high.[8]

No information regarding key operational concerns. Neither AT&T nor any other proponent of LRN has explained how it will affect such basic functions as telephone number assignments, referral of trouble reports, ordering, provisioning, maintenance, testing, billing, and network management, or how it will interwork with areas where portability is not yet available. As NYNEX explained, this gap is quite troubling:

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[7] Cost exposure is aggravated by the fact that LECs will be held hostage to switch manufacturers for the necessary upgrades -- and a technology, such as LRN, that is designed principally for one type of switch (AT&T's 5ESS) may need substantial, expensive modifications to be adapted for the switches of other manufacturers.

[8] As Bell Atlantic explained, the issue of costs and their recovery "must be resolved as part of any decision about how number portability is to be accomplished." Bell Atlantic Comments at 2. Contrary to the position of some new entrants, see, e.g., TCG at 4, the Act cannot be read as precluding consideration of the economic impact of alternative number portability alternatives. When Congress intended technical feasibility to obviate economic factors -- in the sections requiring interconnection and unbundling -- there is legislative history to that effect. See Conf. Rep. at 118 (economic reasonableness to be resolved during negotiations); H.R. Rep. No. 104-204, 104th Cong., 1st Sess. 71 (economic reasonableness deleted from unbundling provision because beneficiary of unbundling must pay costs). Where costs are shared, rather than borne exclusively by the beneficiary of the statutory requirement, as in number portability, economic viability remains a permitted, and indeed critical, consideration.

> [I]n and of itself, LRN does not ensure the continued viability of services that are available to customers today such as the proper operation of features like Automatic Recall and Automatic Call back. Of perhaps even greater concern, neither LRN nor any other current industry plan addresses the number portability issues surrounding Operator Services, especially those utilizing LIDB .... Operations, administration, maintenance and provisioning procedures - among interconnecting companies and within individual companies - do not exist and will need to be negotiated and/or developed.[9]

While many of these issues arise regardless of the trigger mechanism, they must be answered before any solution can be declared technically feasible.[10]

No reliability information. The Act explicitly requires that long-term number portability not impair reliability.[11] Nonetheless, neither AT&T nor any other party has provided any information regarding the likely effects of its LRN proposal on reliability. As noted above, AT&T's LRN solution is becoming increasingly complex, and added complexity necessarily has an adverse effect on reliability.

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[9] NYNEX Comments at 5-6 (fns. omitted). Similarly, Pacific Bell cautioned that, "[a]t this point, neither LRN, Query on Release, RTP, or any other long-term trigger mechanism is technically feasible; all would require substantial software development and testing." Pacific Bell Further Comments at 8. Moreover, the availability of switch software for any solution is not sufficient to assure technical feasibility: "there are numerous additional implementation issues -- accommodating non-participating networks, modifying operational support and billing systems, rationalizing interaction of operator service systems and number identification systems, and developing any needed data base and associated service management systems -- that likely will take more time to resolve than the development of switch software." Id. at 8-9.

[10] Remarkably, AT&T itself concedes that many of these operational matters must be accommodated by any long-term number portability system, AT&T Comments at 2 n.2, but does not attempt to demonstrate that its favored approach satisfies its own checklist.

[11] 47 U.S.C. § 3(a)(46).

The lack of information on reliability also compounds the cost uncertainties; if reliability proves poor, upgrading AT&T's LRN could require additional massive investments.[12]

In short, AT&T's LRN, like all potential approaches to long-term portability, requires significant development work before it can be declared technically feasible. Consequently, the Commission cannot and should not rush to mandate AT&T's LRN or any other approach; doing so likely would produce massive implementation costs and prevent timely development of more efficient and innovative alternatives. As BellSouth pointed out, "the magnitude of additional issues that have arisen in state workshops alone clearly indicate that it is premature for the Commission to take any action beyond establishing a framework for resolving long term number portability issues."[13]

Instead of selecting a specific technical solution at this time, the Commission should assure that long-term number portability is implemented quickly and rationally by requiring reports of trials, setting deadlines for actions by standards and numbering bodies, compiling test results into a report, and permitting industry comment before adopting final requirements.[14] In addition, to

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[12] Similarly, no record evidence has been submitted regarding the effect of AT&T's LRN on the incidence of fraud, including slamming.

[13] BellSouth Comments at 7.

[14] BellSouth suggested a similar approach, under which portability proposals would be evaluated against a list of criteria very similar to those endorsed by GTE. See BellSouth Comments at 7-8.

guide the industry and standards bodies, the Commission should state that the location routing number (as opposed to AT&T's LRN, which is a triggering mechanism) should be the common routing information employed by all trigger mechanisms, and should allow each carrier to choose the mechanism best suited to its own network.[15] By incorporating these procedures and requirements into rules by August 8, the Commission can satisfy its statutory obligations without prematurely mandating a specific trigger mechanism that may prove unsatisfactory and unduly expensive. Moreover, given the progress that already has been made at the state level, such guidance and oversight by the Commission should result in initial implementation of long-term number portability during 1998 -- not long after the dates sought by most of the new entrants.

II. THE COMMISSION SHOULD DEVELOP A COMPETITIVELY NEUTRAL COST RECOVERY MECHANISM THAT EQUITABLY APPORTIONS IMPLEMENTATION COSTS AMONG ALL TELECOMMUNICATIONS CARRIERS.

Several new entrants interpret "competitively neutral" cost recovery to mean that incumbent carriers should be saddled with almost all the costs of both interim and long-term portability. With respect to interim portability, MCI advocates "steep discounts" for RCF and DID, and MFS asks that these functions be provided

[15] See Pacific Bell Further Comments at 8-9. The choice of triggering mechanism will be influenced by network design, number or calls handled, and identity of switch manufacturer, among other factors.

at no cost.[16] With respect to long-term portability, Time Warner and TCG suggest that each carrier absorb its own implementation costs, and that only shared costs be recovered in proportion to number of lines.[17]

These proposals are flatly inconsistent with Section 251(e)(2). As an initial matter, with respect to interim number portability, the Commission can not, consistent with the Act's mandate of competitive neutrality and the takings clause of the U.S. Constitution, force incumbent LECs to underwrite entry by their competitors.

The new entrants' arguments regarding long-term cost recovery are equally unavailing. By requiring carriers to perform queries on all inter-switch calls, AT&T's LRN solution would impose massive costs on incumbent carriers, which have more switches, and thus more inter-switch traffic. In contrast, LRN would impose relatively small direct costs on new entrants, since their network topology will have fewer switches and less inter-switch traffic. Thus, if each carrier bears its own costs, incumbent carriers will pay the vast majority of the costs of implementing long-term number portability, even though the vast majority of the benefits will accrue to new entrants. By no stretch of the imagination can such a result be considered competitively neutral.

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[16] MCI at 8; MFS at 8.

[17] Comments of Time Warner Telecommunications at 9; Comments of TCG at 5-6. MFS also favors having each carrier bear its own implementation costs, but recommends recovering shared costs based on revenues, net of payments to intermediaries. MFS at 6.

GTE also urges the Commission to recognize that, while total costs to implement number portability are not known at this time, it is clear that these costs will not fall evenly across all carriers or customer groups. Implementation costs per subscriber will plainly be higher in suburban and rural areas than in large cities.

To assure that long-term number portability is achieved consistently with the Act's directive of competitive neutrality, the Commission should require that all telecommunications service providers share equitably in all the associated costs. To this end, the Commission may wish to establish a cost pool, under which each subscriber is assessed a set cost amount, regardless of their carrier.[18] Such an approach will assure that customers do not have an incentive to either retain or change service providers to avoid portability costs. It will also motivate parties to consider all associated costs when assessing alternative trigger mechanisms, and minimize efforts to game the system by imposing the maximum possible costs on incumbent LECs.

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[18] In this regard, GTE disagrees with those commenters who argue that LECs should not be permitted to identify number portability cost recovery charges as separate line items on customer bills. See, e.g., TCG at 5. There is no basis in the Act or policy for such a limitation, and separately identifying the charge is not anticompetitive. Indeed, the Commission and states generally have required that charges associated with particular public policy objectives be explicitly identified (e.g., the subscriber line charge and 911 surcharges).

mechanism or impose a date certain for implementation of long-term number portability. Rather, the Commission should promote innovation and flexibility by encouraging the industry to develop a range of trigger mechanisms that utilize common routing information, and allow each carrier to select the mechanism that is most efficient given its network architecture and similar considerations. The Commission also should develop a cost recovery mechanism for long-term number portability that apportions implementation costs equitably among all telecommunications carriers.

Respectfully submitted,

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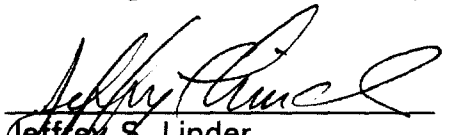
on behalf of its affiliated domestic telephone operating and wireless companies

By: 

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April 5, 1996

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of April, 1996, I caused a copy of the foregoing "Reply Comments of GTE" to be sent via first class mail, postage prepaid to the parties named on the attached service list.

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